

December 1984

Fuel Oil News

The Largest Circulation Magazine of Oil Heating & Petroleum Handling

C4600

THE 1985 SOURCE BOOK

02120814 12
J LONG
ASST MNG ED CNG 12
CONGRESSIONAL INFO SERV
4520 K HWY STE 800
BETHESDA MD 20814

1985 SOURCE BOOK

Dateline	Foreword
Association Rollcall	10
Directory of national and regional petroleum marketing and allied groups	
Directory of Oil Heat Suppliers	20
Alphabetical listing	
Advertisers' Direct Response Post Cards	31
Oil Handling Products	48
Products & services cross-referenced	
Heating & Cooling Directory	51
Products & services cross-referenced	
Accessories Directory	52
Products & services cross-referenced	
The Oil Heating Industry—1984	54
Part I of our comprehensive annual study. By George Schultz.	
Product Mix	54
Average Size of Business	56
Revenues & Earnings	56
Electronic Data Processing	58
Rolling Stock	58
Equipment Sales	64
Equipment Service	70
The Competition	72
Classified Advertising	73
Advertisers' Index	74

Published by
Hunter Publishing Co., Inc.

**Business, Advertising
& Production Offices:**
950 Lee St.
Des Plaines, IL 60016
(312) 296-0770

Executive Staff:
Albert Joseph
President
Robert E. Yarbrough Jr.
Executive Vice President
William D. Straub
Publisher
Curtis C. Klinger
Publisher Emeritus
James J. Halloran
Editorial Director
Charles Larson
Circulation Director
Bryan O'Shaughnessy
Business Manager
Janelle Joseph
Manager of Reader Services

Editorial Offices:
P.O. Box 360
(Salem Park—Rt. 22E)
Whitehouse, NJ 08888
(201) 534-4156

George Schultz
Editor
Thomas R. Byrley
Editor Emeritus
Omer Henry
Field Editor
Joel E. Davis
Contributing Editor
John O. Foland
Truck Editor

**Affiliated Editorial Staff
Hunter Energy Network:**

Marvin Reid, Editor
National Petroleum News
J. Richard Shaner
Executive Editor, NPN
Thomas Olson
Managing Editor, NPN
Tim Grace
Staff Reporter, NPN

Cover:

This is our seventh annual *Source Book*, which provides a comprehensive directory of oil heating industry suppliers, and listing of national, state and local trade associations, plus a detailed analysis of the oil heat marketer. The statistics generated in our survey is the result of responses to hundreds of questions completed by a representative sample of oil marketers and involves every aspect of marketing operations. Cover design by Craig Reuter.

Fuel Oil News Magazine (USPS 345-770) is published 12 times per year by Hunter Publishing Co., 950 Lee St., Des Plaines, IL 60016, (312) 296-0770. Publication date is first of each month. Second class postage paid in Des Plaines, IL 60016 and additional mailing offices. Change of address: Send old label and new address with zip code to FUEL OIL NEWS, 950 Lee St., Des Plaines, IL 60016. Allow six weeks for changeover. Subscriptions: \$19.00 per year; \$34.50 for two years, in advance. Canadian subscriptions, \$27.00 per year, \$42.50 for two years. All other countries, \$35.00 per year. Single or back copies, \$2.00 per copy in U.S. and Canada, \$3.00 elsewhere. Copyrighted 1984 by Hunter Publishing Co. All rights reserved. Reproduction in whole or in part without express written permission is prohibited.



The Oil Heat Industry - 1984

Part I of our Seventh
Annual Profile Of Marketers

By George Schultz, Editor

Writing this analysis is the final step in a long, involved process which involves not only our staff, but hundreds of oil heat marketers across the country. Their responses to a rather long and complicated questionnaire is the basis of our industry profile, and the efforts by marketers who helped us in developing the statistics are sincerely appreciated.

Questionnaires were mailed out in mid-October to some 2,500 marketers randomly selected in order to provide a representative sample for statistical analysis. The questionnaires generated some 228 separate statistics, which were calculated by regional groups, then recomputed nationally. A total of 1,284 sets of data were totalled and averaged to produce the various tables presented here.

Once again this year, we have developed many of the same statistics which have been published every year since our first study in 1978. However, we've added and subtracted along the way, in response to changes in the industry. For example, the 1984 profile includes statistics not only on whether or not marketers use electronic data processing, but what specific applications are computerized,

	Fuel Oil	Gasoline
New England	100%	30.7%
Mid-Atlantic	100	33.3
South	93.3	73.3
Midwest	98.2	96.4
West	100	61.1
All Sections	98.3%	59.0%

the number of PCs in use, etc. Additional questions on gross sales and net revenues have been added, along with new questions about issues affecting the industry, and management practices. Also, because of the growing diversification of the industry, as demonstrated by the past three surveys, we've asked some specific questions relating to C-Store and gasoline marketing.

So let's begin at the beginning. Since we are dealing primarily with oil heating marketers (formerly known as *fuel oil dealers*) our first question dealt with exactly how many of those surveyed sell fuel oil and how many sell gasoline. Table 1 provides the answer, indicating that nationally, more than 98% of our respondents sell fuel oil either on a retail

or wholesale basis. More than half also sell gasoline, a situation which has existed for about three years based on past survey results. In the hard-core oil heat regions—New England and Mid-Atlantic—less than half of the sample sells gasoline, but quite a few do nonetheless. The sale of fuel oil dominates in every region, but in the Midwest nearly all our respondents sell both.

Table 2 provides a further breakdown of petroleum sales, detailing the percentage of dealers who consider fuel oil and gasoline either a primary or secondary source of income. Note that nationally, 81.4% say that retail fuel oil sale is a primary source of company income. Just 6.8% say it is secondary. Another 27.7% say bulk fuel oil sales a primarily responsible for income. About one-third say that gasoline, both retail and in bulk, is a primary source of income. The regional figures in Table 2 support Table 1, particularly in the Midwest, were more than 50% say that retail gasoline sales are a primary source of business income. Nearly half also say that bulk gasoline sales are primary.

FUEL OIL				
	Retail		Bulk	
	Primary	Secondary	Primary	Secondary
New England	93.3%	2.7	10.7%	10.7%
Mid-Atlantic	92.8	2.9	20.3	14.5
South	73.3	6.7	33.3	13.3
Midwest	58.9	16.1	51.8	28.6
West	88.9	5.6	22.2	44.4
All Sections	81.4%	6.8%	27.7%	22.3%
GASOLINE				
	Retail		Bulk	
	Primary	Secondary	Primary	Secondary
New England	21.3%	4.0%	13.3%	8.0%
Mid-Atlantic	20.3	7.2	15.9	8.7
South	40.0	6.7	60.0	
Midwest	53.6	23.2	46.4	30.4
West	33.3	11.1	38.8	11.1
All Sections	33.7%	10.4%	34.9%	11.6%
Less than .1%				

With all the talk about diversification, we asked our panel what percentage petroleum revenues represent in terms of overall income. The results, shown in Table 3, which is new this year, indicate that despite the trend to branch out into other businesses, petroleum marketers still depend on their bread-and-butter products—fuel oil, gasoline, motor oils, lube oils, etc.—for the overwhelming percentage of income. Nationally, petroleum sales represent 82.6% of all income. The regional figures fluctuate somewhat, but still represent the substantial share of revenues

No. 2 oil is the principal product sold, representing 56.2% of all petroleum products nationally. But, as shown in Table 4, gasoline has a greater percentage in the Midwest, and is just 1/10ths of one percentage point behind No. 2 oil in the South. The various percentages of each product haven't changed much from our last survey, although nationally diesel fuel has inched up at the expense of gasoline. The "other" category represent such products as lube oil, motor oils, asphalt, etc.

As shown in Table 5, the average oil heat marketer nationwide sells approximately 2.2 million gallons of distillate to 1649 residential and 181 commercial/industrial customers. The marketer who

New England	83.5%
Mid-Atlantic	85.5
South	75.7
Midwest	75.8
West	92.3
All Sectors	82.6%

sells residual has an annual volume of 2.1 million gallons, and marketers who also sell gasoline move about 2.6 million gallons. The distillate volume is up about one-half million gallons from our 1983 survey, and represents, to some degree, the degree-day differences from one year to the next. The residual volume average does not correlate with last year, since we averaged it based on just those who market resid this year, rather than using the whole sample as a factor as we did in 1983. About 15% of the respondents said they market resid. The gasoline volume also differs from last year's figure, for the same reason.

The average number of residential accounts is up in every region this year, with an overall average increase of some 500 customers! We double checked these figures to be sure that a decimal point didn't get misplaced, but the figures are right. Our only conclusion was that the difference was caused by a sample variation. Of course it would also be nice if,

contrary to claims of the gas heating industry about gaining in marketshare, oil heating marketers were actually bringing in new customers from other fuels. In any event, having an average of 500 more customers than last year, coupled with an increase in volume of 500,000 gals., resulted in the addition of personnel. In 1983, marketers had an average of 9.5 employees, but this year, that national average has swelled to 13.9. The greatest gains were in the Mid-Atlantic and South, but gains were also reported in the other regions as well.

Most of the heating oil is being sold to private homes, as shown in Table 6. Nationally, some three-quarters of all customers are residential dwellings. The remaining 25% is a combination of apartments, schools, hospitals and commercial and industrial buildings. There is no clear differences on a region-by-region basis, except for the fact that Southern and Midwestern marketers have the highest percentage of commercial customers (16.3% and 15.3%, respectively).

Tables 7 and 8 are new this year and show the relative size of the various marketers who responded to our survey. As shown, the greatest number of marketers had gross sales in the \$1 to \$5 million category, followed by those who made less than \$1 million. Companies

	No. 2	No. 1	No. 4	No. 5 & 6
New England	85.2%	3.2%	0.2%	0.1
Mid-Atlantic	75.1	6.4	0.4	2.3
South	34.8	9.5	.	.
Midwest	35.0	5.8	.	0.5
West	50.9	6.3	1.4	1.7
All Sections	56.2%	6.2%	0.4%	0.9%
	No. 2 for Diesel	Gasoline	LPG/LNG	Other
New England	4.5%	6.4%	2.0%	4.4%
Mid-Atlantic	7.6	15.4	1.1	0.2
South	22.5	34.1	.	.
Midwest	15.6	38.1	3.9	1.0
West	19.8	18.3	.	1.7
All Sections	14.0%	22.5%	1.4%	1.5%

*Less than .1%

	No. Residential Fuel Oil Accts	No. C/I Customers	Vol. Distillate	Vol. Residual	Vol. Gasoline	No. Employees
New England	1938	157	2,463,078 gal.	1,011,950	3,134,269 gal.	12.9
Mid-Atlantic	2815	271	3,537,228	6,854,333	2,018,500	24.1
South	1235	114	1,514,167	N.R.	3,014,288	12.9
Midwest	501	101	1,575,380	663,072	1,946,242	10.6
West	1756	265	2,216,667	261,250	2,880,834	9.0
All Sections	1649	181	2,261,304	2,118,121	2,598,826	13.9

N/R—Not Reported

with revenues in excess of \$5 million do exist, and even those who gross more than \$75 million, but obviously they are few and far between.

More than two-thirds of our panel had pre-tax earnings of less than \$100,000, including 38.2% with earnings of less than \$50,000 and 33.9% with earnings of \$50,000 to \$100,000. Note that the Mid-Atlantic had a relatively large percentage (compared to the other regions) of marketers who earned more than a half-million before taxes.

As has been revealed in the past three or four surveys, more than half of all oil heat marketers use EDP in one form or

Annual Heating Oil Sales by Type of Customers (Percent of Total Customers)						
	Private Homes	Apts.	Educ.	Hospitals	Commercial	Industrial
New England	86.0%	4.4%	1.0%	0.2%	6.7%	1.6
Mid-Atlantic	61.1	4.6	0.1	0.7	10.2	3.2
South	83.1	3.0	0.4	0.4	16.3	12.8
Midwest	70.0	2.8	1.6	0.9	15.3	4.5
West	78.4	3.7	2.4	0.4	9.9	10.7
All Sections	75.3%	3.8%	1.7%	0.5%	11.7%	6.6%

another. As explained previously, we changed the questions this year to get a better idea of how state-of-the-art technology is being applied to oil marketing. Table 9 shows that nearly 50% of all dealers have computers in their offices, either terminals, PCs, minis, etc. The

average dealer has 1.5 such units.

Computers are used primarily for accounts receivable and billing, with 98.7% of the computerized marketers using EDP for this function. The next most popular application, detailed in Table 10, is general ledger, with more

Table 7 Total Annual Company Pre-tax Revenue (Percent of Marketers by Revenue)							
	Less Than \$1 Million	\$1-5 Mil.	\$5-10 Mil.	\$10-25 Mil.	\$25-50 Mil.	\$50-75 Mil.	\$75+ Mil.
New England	36.8%	48.7%	7.9%	1.3%	2.6%		1.3%
Mid-Atlantic	33.3	40.6	13.0	7.2	2.9	1.4	1.4
South	28.6	28.6	21.4	21.4			
Midwest	19.2	48.1	19.2	13.5			
West	27.8	44.4	11.1	16.7			
All Sections	29.1%	42.1%	14.5%	12.0%	1.1%	0.3%	0.5%
Less than .1%							

Table 8 Pre-Tax Earnings (Percent of Marketers by Earnings)					
	Less Than \$50,000	\$50-100,000	\$100-200,000	\$200-500,000	\$500,000 +
New England	43.3%	35.0%	13.3%	3.3%	5.0%
Mid-Atlantic	26.3	43.9	12.3	5.3	12.3
South	35.7	28.6	28.6		
Midwest	44.7	38.3	6.4	8.5	2.1
West	41.2	23.5	23.5	5.9	5.9
All Sections	38.2%	33.9%	16.8%	4.6%	5.1%
Less than .1%					

Table 9 EDP Usage			
	Use EDP	Use Computers in Office	# Units (Terminals, PCs, etc.)
New England	41.3%	41.3%	2.3
Mid-Atlantic	60.9	56.5	2.3
South	60.0	60.0	1.3
Midwest	38.5	38.5	1.4
West	61.1	50.0	0.4
All Sections	52.4%	49.3%	1.5

Table 10 Computer Applications (Percent of Marketers by Application)						
	New England	Mid-Atlantic	South	Midwest	West	All Sections
General ledger	58.1	59.5	86.7	75.0	77.8	67.4
Accounts payable	45.2	54.8	77.8	70.0	77.8	65.1
Accounts receivable/billing	93.5	100	100	100	100	98.7
Inventory reconciliation	35.5	40.4	55.6	55.0	100	57.3
Payroll	38.7	50.0	44.4	70.1	77.8	56.2
Fixed asset management	12.9	21.4	33.3	15.0	44.4	25.4
Excise tax reporting	22.6	23.8	33.3	30.1	100	41.9
Communications with stations	6.5	4.8		5.0		3.3
Tracking supplier costs	9.7	9.5	33.3	5.1		11.5
Pricing analysis	12.9	9.5	22.2	5.0	22.2	14.4
Oil price info. service/petro scan	3.2	7.1	22.2			6.5
Lundberg on-line service	3.2					0.6
Word processing	45.2	26.2	44.4	15.0	55.6	37.3
Scheduling of deliveries	74.2	54.8	44.4	19.9	44.4	47.6
Less than .1%						

than two-thirds reporting that they use a computer for this purpose. Accounts payable is computerized by just under two-thirds of the marketers surveyed. Surprisingly, less than half said they use the computer for scheduling of deliveries, indicating that the dispatching department seems to be resisting the move to computerization. On a regional basis, New England dispatchers seem to be the least resistive, with Midwestern companies lagging behind their counterparts in other sections. Western dealers seem to use the computer more than dealers in other regions for many categories, particularly excise tax reporting, payroll, fixed asset management, pricing analysis and accounts payable.

The use of on-line information systems, such as PetroScan, Lundberg's On-Line Service and others, hasn't become a significant factor yet. Less than 10% of all dealers who use computers avail themselves of this application, but telecommunications is a relatively new concept and we predict that in the years to come, the use of on-line information networks will grow significantly.

In 1983, the average oil heating marketer had 4.3 delivery trucks, exactly the same figure shown in Table 11 of this

TABLE 11 Trucks Per Marketer					
	Average No. Del. Trucks	Average No. Trailers	Average Size		Optimum Size Preferred
			Largest	Smallest	
New England	4.5	0.5	2855	2163	2928
Mid-Atlantic	5.2	0.7	3198	2149	2970
South	4.0	1.3	2282	1723	2320
Midwest	3.0	0.6	2246	1716	2310
West	4.9	0.7	2730	1711	2843
All Sections	4.3	0.8	2662	1892	2674

Engine By Type					
	Use			Prefer	
	Diesel	Gas	Both	Diesel	Gas
New England	28.6%	27.1%	44.3%	61.4%	28.6%
Mid-Atlantic	24.3	32.9	42.9	61.4	27.1
South	20.0	26.7	53.3	40.0	33.3
Midwest	7.5	50.9	41.5	49.1	32.1
West	11.1	28.7	61.1	55.6	27.8
All Sections	18.3%	33.3%	48.6%	53.5%	29.8%

Truck Tanks By Type					
	Use			Prefer	
	Steel	Alum.	Both	Steel	Alum.
New England	67.1%	7.1%	25.7%	31.4%	48.6%
Mid-Atlantic	36.8	14.7	48.5	23.5	57.4
South	46.7	6.7	46.7	13.3	40.7
Midwest	64.2	7.5	18.9	35.8	28.3
West	33.3	11.1	50.0	5.6	77.8
All Sections	49.6%	9.4%	38.0%	21.9%	51.8%

TABLE 12 Average Age Of Trucks		
	Year Oldest	Year Newest
New England	1970.8	1979.5
Mid-Atlantic	1960.1	1979.3
South	1971.5	1979.8
Midwest	1973.2	1979.1
West	1966.1	1977.2
All Sections	1970.1	1979.0

Percent Buying This Year		
	New Truck	New Tank Only
New England	48.6%	20.0%
Mid-Atlantic	27.5	20.3
South	13.3	20.0
Midwest	25.9	16.7
West	22.2	16.7
All Sections	27.5%	18.7%

year's survey. However, regional figures changed somewhat, with an increase in New England to 4.5 trucks-per-marketer (from 3.8), a decrease of .9 in the Mid-Atlantic, small decreases in the South and Midwest, and a decrease of .8 in the West. The average number of trailers nationally dipped from 1.0 last year to 0.8, a minor change.

The average sizes of the largest and smallest trucks in marketer fleets didn't change much either. Last year, the average size of the largest was about 2,700 gallons, and the average size of the smallest was about 1,820 gallons. This year, those figures are 2,662 and 1,892, respectively, indicating no significant shifts in

fleet makeup. Marketers have revised their preferences, however. Last year, the optimum size nationwide was 2,429 gals., but this year, our panel said that the ideal rig was 2,674 gals.

Obviously the regional figures are more significant on this question, since the area served dictates the optimum vehicle capacity for the most part. Northeastern and Western dealers like larger rigs and the Midwestern and Southern dealers feel that something in the 2,300 gal. range is best suited for their needs. Table 11 gives the details regionally on fleet sizes, as well as engine and tank types.

About the same percentage of market-

ers said they prefer diesels this year as so indicated on our last survey. Diesel-only fleets grew somewhat, from 10.7% in 1983 to 18.3% this year. The gas-only fleets declined correspondingly, which left the combination diesel and gasoline fleets at about the same percentage as a year ago.

Steel tanks are in wider use, according to our panel, but the overall preference is for aluminum. About half of all marketers surveyed said their fleet has steel tanks only. Some 38% said they had both steel and aluminum, and 9.4% said they ran only aluminum rigs. With just over 50% saying they prefer aluminum, it seems that as rigs are replaced, the trend away from steel tanks will continue. Interestingly, Midwest respondents preferred steel tanks over aluminum, the only region in which this phenomenon occurred. About 25% of the marketers had no preference, which is why the two columns don't equal 100%.

How old are marketer fleets? We asked our panel the year of the oldest and newest truck in their fleet and their responses are shown in Table 12. The age of the oldest averages out to a 1970.1 rig, almost 15 years old. The newest truck in the typical fleet is almost six years old—it's a 1979.0. More than 25% (27.5%) expect to buy a new truck in 1985. Last year, only 18.4% said they were buying a new truck, so there seems to be more marketers who are willing to invest in the new equipment now.

As we have said before, the truck market was a good barometer for the oil heating industry. When business in good, product plentiful and prices stable, marketers are willing to take the substantial investment needed in a new truck which can cost close to \$100,000 these days. In the years 1980-82 when product was tight and gas conversions were strong, dealers were scared and didn't buy new rigs. The truck tank manufacturers went into a real depression, and it has only been during the last year that there has been an upswing for them.

Last year's study indicated that the average age of the newest truck was 1977.6, so the jump to the average of 1979 means that marketers are indeed upgrading their rolling stock, which is good news for the truck tank manufacturers and for the industry as a whole, since it indicates that marketers are again bullish about oil heat's future.

Along with the 27.5% who plan on buying a new truck in 1985, another 18.7% said they will put a new tank on an existing rig. And in New England, nearly half of all marketers polled (48.6%) said they will buy a new truck in '85, plus 20%

TABLE 13
Average Drop in Gallons

275 Gal. Tanks	
New England	172.4
Mid-Atlantic	169.9
South	162.5
Midwest	187.0
West	171.6
All Sections	172.7
550 Gal. Tanks	
New England	360.8
Mid-Atlantic	354.0
South	385.8
Midwest	403.6
West	355.0
All Sections	371.8

TABLE 14
Percent Using Two-Way Radios

New England	65.3%
Mid-Atlantic	62.3
South	86.7
Midwest	62.5
West	77.8
All Sections	70.9%

TABLE 16
Trends of Equipment Sales
Past 12 Months
(Percent Reporting)

Residential Up	
New England	69.2%
Mid-Atlantic	61.8
South	-
Midwest	46.7
West	33.3
All Sections	42.2%
Commercial Up	
New England	23.1%
Mid-Atlantic	30.9
South	N/R
Midwest	25.0
West	16.6
All Sections	19.1%
*Less than .1%	
N/R—Not Reported	

TABLE 15
Percent of Fuel Oil Dealers That
Sell, Install and/or Service All Types of
Heating/Cooling Equipment

New England	86.7%
Mid-Atlantic	77.5
South	26.7
Midwest	26.8
West	55.5
All Sections	54.6%

who will buy a new tank.

Table 13 indicates what the average drop is for marketers around the country. Midwestern dealers seem to have the best automatic delivery techniques, with an average drop to 275-gallon tanks of 187 gallons. Their average drop to 550 tanks is 403.6 gallons, again, the best of all regions. Last year, the national average for 275's was 169.5, just three gallons less than this year. The average for 550's was 356, just 15 gallons less than 1984.

Another aspect of trucks is two-way radios, and according to our panel, more

than 70% of their fleets are so equipped. This ranges from a low of 62% in the Mid-Atlantic and Midwest, to a high of 86% in the South.

Equipment Sales

Once again our survey has revealed a wide regional variation in the percentage of marketers who sell, install and/or service heating equipment. The South and Midwest, as expected, have the lowest numbers, with New England and the Mid-Atlantic on the opposite end of the scale. As Table 15 indicates, 54.6% of all marketers quizzed are involved in heating/cooling equipment, which is about three percentage points higher than last year. Some 86.7% of the New England marketers sell, install and/or service all types of heating/cooling equipment, as do 77.5% of the Mid-Atlantic dealers. More positive responses were recorded from the West than last year as well. In 1983, only 38.5% of the Western dealers

TABLE 17
Sources of Business Income
(Percent of Total Business Income)
HEATING EQUIPMENT

	Retail	Wholesale
New England	76.0%	8.0%
Mid-Atlantic	69.6	11.6
South	21.4	-
Midwest	23.2	7.1
West	55.5	16.7
All Sections	49.1%	8.7%
	A/C	Other
New England	13.3%	12.0%
Mid-Atlantic	30.4	21.7
South	6.7	33.3
Midwest	10.7	26.8
West	27.8	16.7
All Sections	17.8%	22.1%
*Less than .1%		
N/R—Not Reported		

TABLE 18
Percent of Fuel Oil Dealers That Sell, Install and Service Selected Heating/Cooling Equipment

Residential					
	Oil Burners	Gas Burners	Domestic Hot Water	Boilers	Hydronic Systems
New England	93.8%	23.1%	96.9%	84.6%	61.5%
Mid-Atlantic	94.5	32.7	83.6	70.9	52.7
South	26.7	6.7	-	13.3	6.7
Midwest	80.0	53.3	33.3	40.0	26.7
West	66.7	16.7	33.3	50.0	16.7
All Sections	72.3%	26.5%	45.4%	51.8%	32.9%
Commercial/Industrial					
	Oil Burners	Gas Burners	Domestic Hot Water	Boilers	Hydronic Systems
New England	66.2%	12.3%	50.8%	44.6%	20.3%
Mid-Atlantic	69.1	20.0	56.4	52.7	34.5
South	20.0	6.7	6.7	6.7	-
Midwest	40.0	26.7	13.3	26.7	6.7
West	44.4	5.6	27.8	33.3	16.7
All Sections	47.9%	14.3%	31.0%	32.8%	17.4%
*Less than .1%					

How could it freeze if I had the boiler turned on? This is the first time a pipe ever froze.

Lady, your boiler was not cycling often enough and you also don't have any anti-freeze. I'll install the NOBURST SYSTEM and you'll have the protection needed to keep your pipes from freezing. It also protects against corrosion. It's non-toxic and has rust inhibitors. That's why they call it NOBURST.



THE NOBLE COMPANY

614 Monroe Street
Grand Haven, Michigan 49417

© 1983

Circle No. 122 on Card

TABLE 19
Percent of Fuel Oil Dealers That Sell, Install and Service Selected Heating/Cooling Equipment

Residential					
	Unitary A/C	Electric Resistance	Insulation	Solar	
New England	10.8%	•	•	4.6%	12.3%
Mid-Atlantic	21.8	7.3	9.1	•	11.9
South	6.7	•	•	•	•
Midwest	26.7	6.7	6.7	•	6.7
West	16.7	5.6	•	•	5.6
All Sections	16.5%	3.9%	4.1%	•	7.3%
Commercial					
	Unitary A/C	Electric Resistance	Insulation	Solar	Refrigeration
New England	3.1%	•	•	4.6%	•
Mid-Atlantic	9.1	3.6	7.3	3.6	11.8
South	N/R	N/R	N/R	N/R	N/R
Midwest	6.7	6.7	6.7	6.7	6.7
West	•	•	•	5.6	•
All Sections	3.8%	2.1%	2.8%	4.1%	1.7

• Less than .1%

N/R—Not Reported

said they were involved with heating equipment. This year, that figure is 55.5%. Only the South and Midwest, with 26.7% and 26.8%, had a less than 50% involvement in equipment. One note of encouragement is the fact that both these sections showed increases over 1983; the South just one point, but the Midwest about 10% greater.

More than 40% of the marketers said that equipment sales in 1984 was better

than 1983 (when 43% said sales were better than '82). New England registered the greatest number of positive responses. 69.2% said residential equipment sales are ahead of 1983.

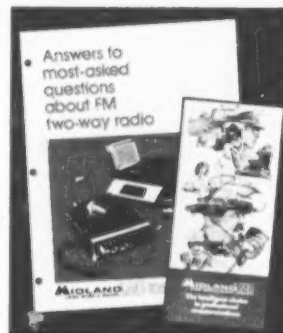
Commercial/Industrial equipment sales were up for 19.1% of all marketers involved with these markets, although the data from the South was insufficient to extrapolate a legitimate average. See Table 16 for trends in equipment sales.

FREE
from
Midland

A New Look At Two-Way Radio. The Time And Money Saver.

Recent major technical advances by Midland have produced amazing new two-way FM radios: easier to use, much more capability, smaller, more reliable, and *far less expensive*. In short, Midland offers better value to do more of what two-way radio always has: save time and money.

These two informative brochures will update you on the latest developments in Land Mobile Radio, and will give you some guidelines for making modern communications technology work for you. And they're free.



MIDLAND LMR
LAND MOBILE RADIO

1690 N. Topping • Kansas City, MO 64120
800/821-8528

In Canada: A. C. Simmonds & Sons, Ltd.

The intelligent choice in professional communications.

Circle No. 123 on Card

FUEL OIL NEWS

Residential		
	Furnaces	Warm Air Systems
New England	92.3%	83.1%
Mid-Atlantic	92.7	61.8
South	13.3	6.7
Midwest	80.0	53.3
West	66.7	50.0
All Sections	69.0%	51.0%
	Central A/C	Heat Pump
New England	18.6%	9.2%
Mid-Atlantic	43.6	23.6
South	13.3	.
Midwest	40.0	13.3
West	11.1	22.2
All Sections	25.3%	13.7%
	Continuous Air Circulation	
New England	7.7%	
Mid-Atlantic	5.5	
South	.	
Midwest	.	
West	16.7	
All Sections	6.0%	
Commercial		
	Furnaces	Warm Air Systems
New England	58.5%	46.2%
Mid-Atlantic	56.4	38.2
South	13.3	.
Midwest	33.3	20.0
West	44.4	22.2
All Sections	41.2%	25.3%
	Central A/C	Heat Pump
New England	13.8%	3.1%
Mid-Atlantic	25.5	12.7
South	6.7	.
Midwest	20.0	13.3
West	5.6	5.6
All Sections	14.3%	6.9%
*Less than .1%		

Table 17 provides an indication of the percentage of dealers who derive a significant share of their overall income from equipment sales. Retail heating equipment sales is important to nearly half—49.1% to be precise. This again varies by region, with 76% of all New England marketers claiming that retail heating equipment sales are a primary source of income, but just 21.4% of Southern marketers involved with it. Sale of heating equipment on the wholesale level was important to just 8.7% nationally, with the largest share in the West, where 16.7% said they sold heating equipment wholesale.

Air conditioning sales is important to 17.8% of our panel; 30.4% in the Mid-Atlantic for a high and 6.7% in the South

**through
January 31, 1985**



**A
winter
jacket**

**(\$65.00
value)**

**with the purchase of an
Ultimate boiler . . .**

**Ultimate-Plus
or K series . . .**

tops in energy-efficiency.

See your wholesaler for details.



Advanced Engineering in Energy Conservation
ULTIMATE ENGINEERING CORP.
200 West Central St., Natick, Mass. 01760 ■ 617/653-6699

Circle No. 113 on Card

TABLE 21
Average Number of Units Installed in Past 12 Months

Residential				Commercial			
	Burners	Boilers	Furnaces		Burners	Boilers	Furnaces
New England	57.4	37.4	15.0	New England	12.9	3.6	3.8
Mid-Atlantic	67.6	21.6	13.9	Mid-Atlantic	6.0	3.9	4.8
South	NR	NR	NR	South	NR	NR	NR
Midwest	25.0	6.3	25.1	Midwest	12.0	3.0	10.0
West	86.6	1.0	14.4	West	8.5	0.5	6.0
All Sections	43.3	13.3	13.7	All Sections	7.9	2.2	4.9

NR—Not Reported

Table 22
The Service Department

	Have Service Depts.	Average No. Calls per Year	Value of Parts/Inventory	Service Dept. Profitable	No. of Technicians
New England	82.7%	1090	\$22,129	40.3%	4.2
Mid-Atlantic	77.5	3109	24,329	43.6	5.3
South	36.3	275	25,875	25.0	0.8
Midwest	30.0	373	15,780	75.0	1.7
West	61.1	1720	11,143	72.7	2.8
All Sections	57.5%	1313	\$19,851	51.3%	3.0

for a low. One would think that these figures should be reversed, since it is hotter in the South than it is in New York, New Jersey, Pennsylvania, etc., but evidently somebody else is selling the bulk of the cooling equipment down in

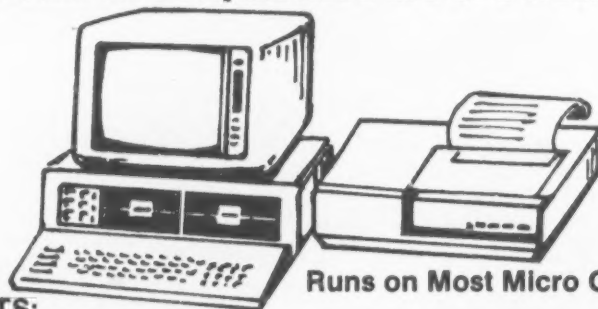
Dixie. Table 17 also reports that 22.1% of our sample said that "other" equipment was important to their income. This runs the gamut from Cub Cadet tractors and lawn mowers to swimming pools, patio furniture, TBA, trucking, chemicals and

fertilizer and a host of other products.

Of all marketers who sell heating equipment, 72.3% are involved in residential oil burners. This national average is more than 20% above last year, due mainly to increases in the Midwest and

Tired of Paperwork Yet? You could be Computerized in 2 or 3 weeks

As Low as
\$6,000
COMPLETE



**DEGREE DAYS
OR ROUTING
EXTREMELY
EASY TO USE**

Runs on Most Micro Computers

PRINTS:

SUGGESTED DELIVERIES
METER TICKETS
STATEMENTS
CUSTOMER DATA REPORTS
GENERAL LEDGER POSTING

DETAILED AGING REPORTS
TRANSACTION REPORTS
DAILY POSTING REPORTS
DAILY - WEEKLY - YEARLY TOTALS
MAILING LABELS

Prints statements, reports, mailing labels and meter tickets one at a time; for all your customers or a selected group of your customers.

The DR-OIL System by DR-MICRO was developed to fill the needs of the small to medium sized fuel oil dealer. Until now, many dealers were not able to computerize because systems were priced starting at \$15,000. But micro-computers have changed all that. If you are spending more than an hour a day on your bookkeeping, and if you would like the power and control enjoyed by large competitors at a fraction of the cost, contact:

DR-MICRO
60 MIDDLE RD. Box 9
S. CHATHAM, MA 02659
(617) 432-8200

Or your
Local Computer
Dealer

A COMPLETE, COMPREHENSIVE ACCOUNTS RECEIVABLE AND DEGREE DAY SYSTEM FOR FUEL OIL DEALERS

West. In 1983, just 13.8% said they sell, install and/or service residential oil burners. This year, 80% do. In the West, the percentage jumped from 38.5% to 66.7%.

Although we hate to mention it, more than one-quarter of the dealers sampled who are involved in equipment also sell gas burners. This figure is particularly large in the Midwest, where gas has the lion's share of the marketplace. Tables 18, 19 and 20 show the percentages of marketers who are involved with the various heating/cooling products, both residential and commercial/industrial.

Table 21 shows the average number of burners, boilers and furnaces installed by dealers during 1984. Nationally, the average dealer installed 43.3 residential burners, 13.3 residential boilers and 13.7 residential furnaces. The figures are up for burners and boilers, and relatively stable for furnaces. In 1983, the average dealer installed just 28.4 burners and 7.8 boilers. Commercial equipment is also up for 1984, with the average number of commercial burners installed pegged at 7.9, boilers 2.2 and furnaces 4.9. Unfortunately, we didn't get enough data from the South to develop averages.

AROPET PPD/600D POUR POINT DEPRESSANT

**WITH NEW LOW AMBIENT POUR [20° F.] TO
PREVENT PRODUCT GELLATION NORMALLY
ENCOUNTERED WITH POUR DEPRESSANTS!**

DIESEL FUELS



LIGHT OIL



[Treatment Ratio: 1 to 1000]

One of the most important developments in the control of wax nucleation and deposition in distillate oils in cold weather . . . effective and economical . . . with no adverse affect to any other fuel oil properties, created specifically for diesel and light oil users.

PPD/600D chemically retards the formation and growth of wax crystals . . . simultaneously acts as a flow improver, pour point depressant and cetane improver . . . yields better combustion . . . reduces service calls.

NEW! AROPET PPD/600D

[] PPD/600D

new low pour point of product insures ease of handling down to 20°F. effectively preventing gelling problems encountered with current competitive brands.

[] PPD/600D

actually increases cetane for more power when needed.

[] PPD/600D

passes European cold filter plugging test - accepted as standard for true diesel gelation tests to aid in vehicle stoppages during cold weather.

[] PPD/600D

lowers pour below base pour of oil 25°, depending upon receptivity of oil, effectively preventing diesel stoppages and kerosene use.

Arol

CHEMICAL PRODUCTS COMPANY
649 FERRY STREET • NEWARK N.J. 07105 •
(201) 344-1510

Circle No. 126 on Card

Equipment Service

The number of marketers who have service departments has increased since our last survey, as noted in Table 22. Last year, 44.3% of the national sample had service departments but this year that figure has risen to 57.5%. This is undoubtedly because the industry recognizes the need to keep customer equipment running smoothly and efficiently in order to keep the competition out of the cellars. Less than half of our Southern and Midwestern respondents have service departments, but the percentages have gone up considerably since last year when less than 20% in either region had service departments. Service departments make an average of 1,313 calls per year, or 0.8 calls per residential customer. Service parts inventory amounts to \$19,851 for the average dealer, and just over half of all those reporting said their service operation was profitable. To accomplish the service, marketers had an average of three technicians.

On a regional basis, Mid-Atlantic marketers made the most service calls and consequently had the most service technicians on average. Southern marketers made the fewest calls and had the fewest technicians. The percentage of departments which was profitable is also lowest in the South, and the departments have the highest price tag on the parts inventory.

Hunter Energy Network

Advertising Offices

Bill Straub

950 Lee St.
Des Plaines, IL 60016
(312) 296-0770

Rick Kollnsky

P.O. Box 360
Whitehouse, NJ 08888
(201) 534-4156

Dan Aldrich

3501 Cedar Valley
Smyrna, GA 30080
(404) 435-0684

Jerry M. Hyde

3500 Halifax
Arlington, TX 76013
(815) 277-0182

Jack Clemens

Dick Ralton
465 E. Union St., Suite 206
Pasadena, CA 91101
(213) 681-8706
(213) 792-7064

TABLE 23

Percent of Dealers Losing Customers to Gas Heat

	Percent Losing Customers	Average No. Customers Lost
New England	63.6%	8.1
Mid-Atlantic	79.2	20.1
South	100	14.4
Midwest	81.2	16.0
West	83.3	21.3
All Sections	81.6%	16.0

Table 24

Percent of dealers indicating gas conversions are a major threat to their business and what they're doing about it

	% Saying Gas is A Major Threat	% Taking Steps To Combat Gas	% Making Conversions To Gas
New England	30.9%	47.3%	11.0%
Mid-Atlantic	63.0	71.7	30.4
South	80.0	60.0	25.0
Midwest	68.2	72.7	13.8
West	72.7	100	20.0
All Sections	63.0%	70.3%	20.0%
Less than .1%			

FREE SAMPLE OF NON ASBESTOS * PYROSEAL

FURNACE
CEMENT

FOR PEOPLE WHO VALUE THEIR HEALTH!
STOP USING ASBESTOS
USE THE BEST FURNACE CEMENT EVER MADE



STEWART / HALL PYROSEAL

The first non-asbestos furnace cement, and still the most technically unique.

It's the only one that holds the cement together firmly, yet flexibly, with a unique interlocking non-asbestos fiber formula.

That's what controls and prevents shrinking and cracking.

That's what makes tight bonds which won't flake off, yet are easy to remove.

PyroSeal is smooth and easy spreading, and has a low, low freezing point.

All this in a handy resealable bucket which keeps the product new - fresh.

Ask your Heating
Supply Wholesaler.

* Your inquiry will bring you a **FREE SAMPLE** if you're a heating contractor.

STEWART / HALL
CHEMICAL CORPORATION
MOUNT VERNON, NEW YORK 10553

Circle No. 128 on Card

The Competition

Natural gas competition is still a major concern to our panelists, with 81.6% of those polled indicating that they have lost customers to gas heat during the past year. Each of those companies lost an average of 16 customers to gas heat. Table 23 gives the details. Southern dealers were the hardest hit, in terms of percentage of companies losing customers. Western dealers lost the most customers, followed closely by Mid-Atlantic marketers.

Table 24 shows that 63% of our respondents feel that gas heat is a major threat to their business (interesting, since more than 80% lost customers to gas). 70.3% are taking steps to combat gas heat, a greater percentage than those who are concerned about it. Evidently, although some marketers don't think that gas heat is a major threat, they aren't going to sit still about it either. When all else fails, 20% of our sample will actually make the conversion to gas for the dissatisfied oil heat customer. Better to make the profit on the conversion than nothing at all is the way some put it when commenting on this question.

Because we asked a lot more questions this year, it's necessary to break our annual study into two parts. Part II, which will appear in the January 1985 issue, will cover important issues which affect the oil industry. We asked our panel how they felt about such things as government controls & interference, the need to reduce overhead, how they view competition from utilities & the majors, etc.

We also asked about boiler/furnace replacements, when they are recommended, whether dealers make brand recommendations, and what influences them in selecting a brand to market. New statistics on management and gasoline marketing will also be presented, including C-Store operations and accounting practices. Don't miss Part II, coming next month.